

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 6-7, 2007

Reference No.: 2.5d.(1)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Transportation Programming

Subject: **FINANCIAL ALLOCATION FOR PROJECTS WITH COSTS THAT EXCEED 20 PERCENT  
OF THE PROGRAMMED AMOUNT  
RESOLUTION FP-06-121**

## **RECOMMENDATION:**

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve Resolution FP-06-121, allocating \$16,449,000 for the projects described on the following pages.

## **ISSUE:**

The projects described on the following pages are programmed in the 2006 State Transportation Improvement Program (STIP) for \$8,173,000. The current estimate for these projects is \$16,449,000, exceeding the programmed amount by 101 percent. Additional funds (\$8,276,000) are proposed in the 2006 STIP augmentation. The Department is ready to proceed with these projects and is requesting an allocation at this time.

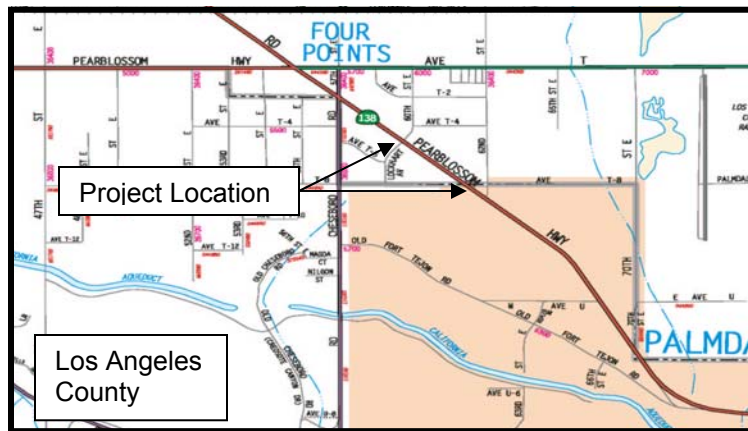
## **RESOLUTION:**

Resolved, that \$16,449,000 be allocated from the Budget Act of 2006, Non-Budget Act Item 2660-801-3093, to provide funds for the projects described on the following pages.

Project #	Allocation Amount	EA	PPNO	Allocation
Recipient		Program/Year		Amount
RTPA/CTC		PA&ED	Budget Year	State
County	Location	PS&E	Item #	Federal
Dist-Co-Rte	Project Description	CON ENG	Program	
Postmile	Project Support Expenditures	CONST	Codes	Total Amount
<b>2.5d.(1) Allocations for Projects with Cost Increases Greater than 120 Percent</b>				<b>Resolution FP-06-121</b>
1				
\$7,151,000	Near Palmdale, from 60 <sup>th</sup> Street E to east of E Avenue T-8.	127211	2006-07	
Department of	Widen from two to four lanes with median turn lane.	07-3325	801-3093	\$7,151,000
Transportation		GF RIP/06-07	20.20.075.400	
LACMTA	(Report of final right of way estimate deferred until final	\$0		\$7,151,000
Los Angeles	project allocation on this corridor.)	\$0		
07S-LA-138		\$495,000		
51.9/52.5	<b>Funding for a portion of this project is being advanced</b>	\$3,399,000		
	<b>from FY 2007-08.</b>			
		RIP/07-08		
	<b>(Contingent on, and reflective of, programming as</b>	\$0		
	<b>proposed in the 2006 STIP Augmentation under item</b>	\$0		
	<b>4.2.)</b>	\$0		
		\$3,752,000		

**RECOMMENDATION:**

The Department recommends that this request for \$7,151,000 be approved to allow this project to be advertised.

**PROJECT DESCRIPTION:**

This project is located on Route 138 in Los Angeles County near Palmdale, from 60<sup>th</sup> Street E to east of E Avenue T-8 (Postmile (PM) 51.9 to PM 52.5). The project proposes to widen Route 138 from two to four lanes by adding a lane in each direction and constructing a median lane and standard width shoulders. The planned project will improve capacity and enhance safety.

This project is part of the Route 138 corridor plan. The route is a major east-west regional highway with a high percentage of truck traffic. In the area of the project, the route is currently two lanes wide. The route has a higher than statewide average accident rate. Moreover, growth in the Antelope Valley, through which the highway passes, is creating the need for highway expansion.

**FUNDING STATUS:**

The project is currently programmed in the 2006 STIP for \$3,399,000. This request for \$7,151,000 results in an increase of \$3,752,000 (110 percent) above the current programmed amount. The total amount of the increase to the cost of the project is related to increased material costs for asphalt concrete. The additional \$3,752,000 needed for this project is proposed in the 2006 STIP Augmentation.

**REASONS FOR COST INCREASE:**

This project has high quantities of asphalt concrete and the overall project cost is highly reflective of the unit price of asphalt concrete. In mid 2006, local area bid results reflected the use of a unit price of \$70/ton. Currently, unit prices for asphalt concrete in the area are closer to \$100/ton as currently certified for the project estimate.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request, as presented above, for \$7,151,000 to allow this project to be advertised.

**OPTION B:** Deny this request and direct the Department to adjust the project to remain within the programmed amount. The Department has considered this option and determined that reducing the scope of work will not improve capacity or safety as effectively or timely, and waiting for a future programmed project will result in more disruption to the traveling public.

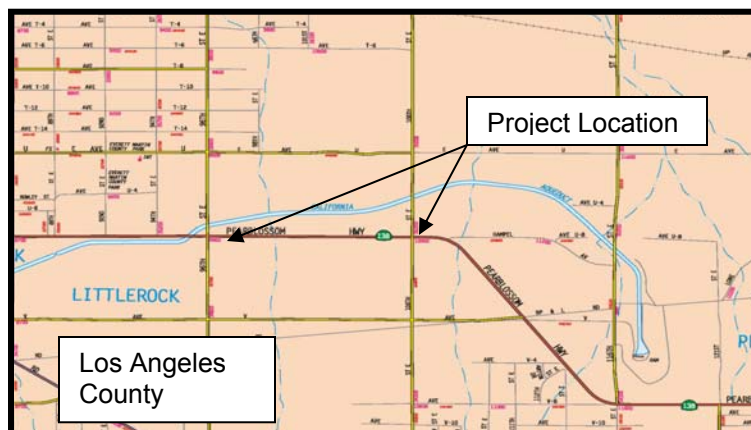
**RECOMMENDED OPTION:**

The Department recommends that this request for \$7,151,000, as presented in Option A above, be approved to allow this project to be advertised.

Project # Allocation Amount Recipient <u>RTPA/CTC</u> County Dist-Co-Rte Postmile	Location Project Description Project Support Expenditures	EA PPNO Program/Year PA&ED PS&E CON ENG CONST	Budget Year Item # Program Codes	Allocation Amount State Federal Total Amount
<b>2.5d.(1) Allocations for Projects with Cost Increases Greater than 120 Percent</b>			<b>Resolution FP-06-121</b>	
2 \$9,298,000 Department of Transportation <u>LACMTA</u> Los Angeles 07S-LA-138 56.2/57.2	Near Pearblossom, from 96 <sup>th</sup> Street E to 106 <sup>th</sup> Street E. Widen from two to four lanes with median turn lane.  (Report of final right of way estimate deferred until final project allocation on this corridor.)  <b>Funding for a portion of this project is being advanced from FY 2007-08.</b>  <b>(Contingent on, and reflective of, programming as proposed in the 2006 STIP Augmentation under item 4.2.)</b>	127231 07-3327 GF RIP/06-07 \$0 \$0 \$756,000 \$4,774,000  RIP/07-08 \$0 \$0 \$0 \$4,524,000	2006-07 801-3093 20.20.075.400	\$9,298,000  \$9,298,000

**RECOMMENDATION:**

The Department recommends that this request for \$9,298,000 be approved to allow this project to be advertised.

**PROJECT DESCRIPTION:**

This project is located on Route 138 in Los Angeles County near Pearblossom, from 96<sup>th</sup> Street E to 106<sup>th</sup> Street E (Postmile (PM) 56.2 to PM 57.2). The project proposes to widen Route 138 from two to four lanes by adding a lane in each direction and constructing a median lane and standard width shoulders. The planned project will improve capacity and enhance safety.

This project is part of the Route 138 corridor plan. The route is a major east-west regional highway with a high percentage of truck traffic. In the area of the project, the route is currently two lanes wide. The route has a higher than statewide average accident rate. Moreover, growth in the Antelope Valley, through which the highway passes, is creating the need for highway expansion.

**FUNDING STATUS:**

The project is currently programmed in the 2006 STIP for \$4,774,000. This request for \$9,298,000 results in an increase of \$4,524,000 (94.8 percent) above the current programmed amount. The total amount of the increase to the cost of the project is related to increased material costs for asphalt concrete. The additional \$4,524,000 needed for this project is proposed in the 2006 STIP Augmentation.

**REASONS FOR COST INCREASE:**

This project has high quantities of asphalt concrete and the overall project cost is highly reflective of the unit price of asphalt concrete. In mid 2006, local area bid results reflected the use of a unit price of \$70/ton. Currently, unit prices for asphalt concrete in the area are closer to \$100/ton as currently certified for the project estimate.

**FUNDING OPTIONS:**

**OPTION A:** Approve this request, as presented above, for \$9,298,000 to allow this project to be advertised.

**OPTION B:** Deny this request and direct the Department to adjust the project to remain within the programmed amount. The Department has considered this option and determined that reducing the scope of work will not increase capacity or improve safety as effectively or timely, and waiting for a future programmed project will result in more disruption to the traveling public.

**RECOMMENDED OPTION:**

The Department recommends that this request for \$9,298,000, as presented in Option A above, be approved to allow this project to be advertised.